

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name CHATER TOWNSHIP OF FILER	County MANISTEE
Fiscal Year End 03/31/2006	Opinion Date 06/14/06	Date Audit Report Submitted to State 09/29/2006	

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☒ ☐ The local unit is free of repeated comments from previous years.
  - ☒ ☐ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) WILSON, WARD CPA FIRM		Telephone Number 231-276-7668	
Street Address PO BOX 205		City INTERLOCHEN	State MI
		Zip 49643	
Authorizing CPA Signature 		Printed Name ROBERT WARD	License Number 1101028281

FILER TOWNSHIP  
MANISTEE, MICHIGAN

Audit Report

For Year Ended  
March 31, 2006

Wilson, Ward CPA Firm  
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**WILSON, WARD CPA FIRM**

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June 14, 2006

Supervisor  
Filer Township  
Manistee, MI 49660

The primary purpose of this letter is to prepare, for management, information which delineates those items encountered during the course of the audit which were either not related to the financial, internal control and compliance reports or were not material enough to comment on relative to them. However, these items might be significant when viewed from a management perspective or in the longer term. This letter is intended only for the use of management and any other parties not informed of these matters might misconstrue their meanings.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with general accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Filer Township. Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding assets and for maintaining the structure of the internal control system to help assure the proper recording of transactions. Our consideration of the system of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

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### Significant Accounting Policies

Management has the responsibility for selection of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Filer Township are listed in Note 1. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into the Filer Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, of transactions for which there is a lack of authoritative guidance or consensus.

### Management Judgements and Accounting Estimates

Some accounting estimates are utilized in financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

### Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

### Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Filer Township that could potentially cause future financial statements to be materially misstated, even though we have concluded such adjustments are not material to the current financial statements.

With each passing year the improvements in the mechanized accounting system used by the Clerk continue. With continuation of increased utilization of the accounting system and particularly with the conversion of the Treasurer functions this system will allow for enhanced reporting and financial management.

**Comment:** Treasurer bank reconciliations were not performed monthly.

**Recommendation:** At the time of fieldwork the township was in the process of implementing new procedures to rectify this situation.

**Comment:** Treasurer did not make all deposits timely.

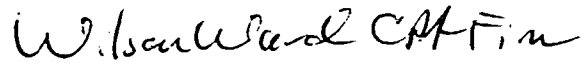
**Recommendation:** Treasurer will make all deposits timely. Identifying places and setting procedures for receipt of cash should be implemented as soon as possible to ensure that township monies are secured in a financial institution.

**Comment:** Clerk and Treasurer did not coordinate routinely to ensure that the accounts balance and that all transactions are recorded timely.

**Recommendation:** The Clerk and Treasurer must work closely together to reconcile and settle the accounts on at least a monthly basis.

This information is intended solely for the use of the Filer Township Board and management of Filer Township and is not intended to be and should not be used by anyone other than those specific parties.

Sincerely,

A handwritten signature in black ink that reads "Wilson Ward CPA Firm". The signature is written in a cursive, flowing style.

Wilson, Ward CPA Firm

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# INTRODUCTORY SECTION



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Filer Charter Township Board  
Manistee, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Filer Charter Township, Benzie County, Michigan, as of and for the year ended March 31, 2006, which collectively comprise the Filer Charter Township's basic financial statements and have issued our report thereon dated June 14, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Filer Charter Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Filer Charter Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain matters that we reported to management of Filer Charter Township in a separate letter dated June 14, 2006.

This report is intended solely for the information and use of the audit committee, management, township board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wilson Ward CPA Firm*

Interlochen, MI  
June 14, 2006

## FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Township Board  
Charter Township of Filer, Michigan

We have audited the accompanying statement of net assets, activities, each major fund, and the aggregate remaining fund information of Charter Township of Filer, Michigan as of and for the year March 31, 2006, which collectively comprise Charter Township of Filer, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Filer, Michigan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Charter Township of Filer as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis and required budgetary comparison information identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 14, 2006 on our consideration of Charter Township of Filer, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Wilson Ward CPA Firm*

Interlochen, MI  
July 14, 2006

## **CHARTER TOWNSHIP OF FILER**

### **Management's Discussion and Analysis**

#### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

#### **The Township as a Whole**

The Township's combined net assets increased substantially from a year ago - increasing from \$1,833,549 to \$2,691,389. Due to a significant increase in Capital Assets.

#### **The Township's Funds**

The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund, Fire Operating Fund, Liquor Law Fund and Water Operating & Maintenance Fund pay for most of the Township's governmental services.

#### **Fund Budgetary Highlights:**

Over the course of the year the Township Board was able to maintain the township departments within their prescribed budgets

#### **Capital Asset and Debt Administration:**

As of March 31, 2006, the Township had \$3,218,687 invested in a broad range of capital assets, including buildings and fire equipment and municipal Water Department equipment. In addition, the Township has invested significantly in major and local roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law which makes these roads the property of the County Road Commission (along with the responsibility to maintain them).

At the end of the 2005-2006 fiscal year, the Charter Township of Filer has invested in a broad range of capital assets, including the Township Hall on Filer City Road., the Fire Department along with the new addition at 2706 Nelson Street, three Water Department pump houses and a second water tower on Red Apple Road, six Fire and one Water Department trucks. A Recreation Center on Oak Drive and two parks are also listed as assets as well as an accu-vote, Western Plow, and meeting hall table.

#### **Economic Factors and Next Year's Budgets and Rates:**

Filer Townships's 2005-2006 budget calls for voted millage of 1.5 mills for the General Fund, .5 mil for the Fire Department General Operating and 1 mil for Garbage Operating all subject to the Headlee Rollback. Monies generated by these millages go to provide state mandated services, the services of our Fire Department, weekly trash pickup and a spring trash collection as well as grass and leaf dumpsters, secretarial services and maintenance and custodial services.

The above can be accomplished by voted millage and the growth in our tax base. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value by less than inflation. The mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

#### **General Overview of the Accomplishments of the Charter Township of Filer in the 2005-2006 Fiscal Year:**

Installed vinyl tile at the Recreation Center

Paved a small area at the Township Hall

Purchased an accounting banking module which included training.

Entered into a Tactical Emergency Medical Aid Agreement with the County of Manistee.

Amended the Master Plan

Purchased playground equipment for the Filer City and Oak Hill Parks

Purchased a lift gate for the township pick-up truck

Approved graveling and paving of 26<sup>th</sup> and 27<sup>th</sup> streets.

Contracted for painting the interior of the township hall

Conducted a spring trash and brush pick-up

**Contacting the Township's Management:**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at (231) 723-3138.

## Government Wide Statements

Filer Township, Michigan  
Statement of Net Assets  
All Fund Types Discreetly Presented Component Units  
As Of March 31, 2006

	Governmental Activities	Business-Type Activities	Total Governmental Funds	Discreetly Presented Component Units
<b>Assets</b>				
Cash and Investments	\$1,517,756	\$454,961	\$1,972,717	\$610,454
Accounts Receivable	3	7,724	7,727	
Taxes Receivable	8,599	0	8,599	
Special Assessments Receivable	39,361	0	39,361	
Unbilled Receivable	0	34,340	34,340	
Prepaid Insurance	7,740	0	7,740	
Due From Other Agencies	28,837	0	28,837	
Due From Other Funds	128,228	8,300	136,528	
Net Capital Assets	1,180,584	1,544,607	2,725,191	
Total Assets	2,911,107	2,049,932	4,961,039	610,454
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts Payable	968	0	968	
Accrued Salaries & Wages	0	224	224	
Deferred Revenue	0		0	
Due to Other Agencies	0		0	28,837
Due to Other Funds	30,022		30,022	
Notes Payable	720,000	1,365,000	2,085,000	
Compensated Absences	9,083	198	9,281	
Total Liabilities	760,073	1,365,422	2,125,495	28,837
<b>Net Assets</b>				
Restricted	339,038	48,531	387,569	
Unrestricted	1,811,996	635,979	2,447,975	581,617
Total Fund Equity	2,151,034	684,510	2,835,544	581,617
Total Liabilities and Fund Balance	\$2,911,107	\$2,049,932	\$4,961,039	\$610,454



**Filer Township**  
**Statement of Revenues, Expenditures and Changes in Net Assets**  
**All Governmental Fund Types and Discretely Presented Component Units**  
**For the Year Ended March 31, 2006**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities:								
General government	\$251,994	\$0			(\$251,994)		(\$251,994)	
Public safety	112,046				(112,046)		(112,046)	
Public works	189,701				(189,701)		(189,701)	
Health and Recreation	20,065				(20,065)		(20,065)	
Community and Economic Development	0				0		0	
Depreciation on Fixed Assets	95,624				(95,624)		(95,624)	
Interest on Long Term Debt	154,125				(154,125)		(154,125)	
Total Governmental Activities	823,555	0	0	0	(823,555)		(823,555)	
Business Type Activities								
Water and Sewer	95,048	227,761				132,713	132,713	
Total Primary Government								
Component Units	5,912							
General revenues:								
Taxes								
Property Taxes-general					451,421		451,421	
Property Taxes-debt service					72,803		72,803	
State-Shared Revenues					152,980		152,980	
Unrestricted Investment Earnings					67,118		67,118	8,236
Franchise taxes					24,431		24,431	
Miscellaneous					34,753	29,392	64,145	302,927
Transfers						22,833	22,833	
Total General Revenues-Special Items and Transfers					803,506	52,225	832,898	311,163
Changes in Net Assets					(20,049)	184,938	164,889	305,251
Prior Period					692,951		692,951	
Net Assets - Beginning					1,478,132	451,041	1,833,549	276,366
Net Assets - Ending					\$2,151,034	\$635,979	\$2,691,389	\$581,617
Reconciliation								
Change in Net Assets	(\$20,049)							
Add: Depreciation	95,624							
Less:								
Payment of Long Term Debt	0							
Purchase of Fixed Assets	0							
Change in Fund Balance	\$75,575							

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## Fund Statements

**Filer Township, Michigan**  
**Balance Sheet**  
**All Governmental Fund Types and Discretely Presented Component Units**  
**As Of March 31, 2006**

	General Fund	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Discretely Presented Component Units	Total
<b>Assets</b>						
Cash and Investments	\$1,101,713	\$210,850	\$205,193	\$1,517,756	\$610,454	\$2,128,209
Accounts Receivable	3		0	3		3
Taxes Receivable	8,599		0	8,599		8,599
Special Assessments Receivable	39,361		0	39,361		39,361
Unbilled Receivable	0		0	0		0
Prepaid Insurance	7,740		0	7,740		7,740
Due From Other Agencies	28,837		0	28,837		28,837
Due From Other Funds	128,228		0	128,228		128,228
Net Capital Assets				0		0
Total Assets	<u>1,314,481</u>	<u>210,850</u>	<u>205,193</u>	<u>1,730,524</u>	<u>610,454</u>	<u>2,340,978</u>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities</b>						
Accounts Payable	968		0	968		968
Accrued Salaries & Wages	0		0	0		0
Deferred Revenue	0		0	0		0
Due to Other Agencies	0		0	0	28,837	28,837
Due to Other Funds	28,000	1,892	130	30,022		30,022
Notes Payable				0		0
Compensated Absences	9,083		0	9,083		9,083
Total Liabilities	<u>38,052</u>	<u>1,892</u>	<u>130</u>	<u>40,073</u>	<u>28,837</u>	<u>68,910</u>
<b>Fund Equity</b>						
<b>Fund Balances:</b>						
Reserved		160,000	179,038	339,038		339,038
Unreserved	1,276,429	48,957	26,025	1,351,412	581,617	1,933,029
Total Fund Equity	<u>1,276,429</u>	<u>208,957</u>	<u>205,063</u>	<u>1,690,450</u>	<u>581,617</u>	<u>2,272,067</u>
Total Liabilities and Fund Balance	<u>\$1,314,481</u>	<u>\$210,850</u>	<u>\$205,193</u>	<u>\$1,730,524</u>	<u>\$610,454</u>	<u>\$2,340,977</u>
<b>Reconciliation with Governmental:</b>						
Fund Balance	\$1,690,450					
Less: Long Term Debt	(720,000)					
Add: Net Capital Assets	<u>1,180,584</u>					
Net Assets	\$2,151,034					

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Governmental Fund Types and Discretely Presented Component Units**  
**For the Year Ended March 31, 2006**

	General Funds	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Component Units	Total Governmental
<b>Revenues</b>						
Taxes	\$377,550	\$73,871	\$72,803	\$524,224	\$302,927	\$827,151
Licenses	6,420		0	6,420		6,420
State of Michigan	152,980		0	152,980		152,980
Charges for Services	0		0	0		0
Interest & Rentals	55,079	1,541	10,499	67,118	8,236	75,354
Other Revenues	4,764	21,115	1,541	27,420	0	27,420
Donations	0		0	0		0
Cable Franchise Fees	24,431		0	24,431		24,431
Reimbursements	914		0	914		914
Total Revenues	622,137	96,527	84,843	803,506	311,163	1,114,669
<b>Expenditures</b>						
Current						
Legislative	120,230		0	120,230	0	120,230
General Government	131,764		0	131,764	5,912	137,675
Planning and Zoning	22,555		0	22,555	0	22,555
Public Works	164,822		2,324	167,146	0	167,146
Recreation	20,065		0	20,065	0	20,065
Public Safety		112,046		112,046	0	112,046
Miscellaneous	0		154,125	154,125	0	154,125
Capital Outlay	0			0	0	0
Total Expenditures	459,436	112,046	156,449	727,931	5,912	733,843
Excess Revenue (Expenditures)	162,700	(15,519)	(71,607)	75,575	305,251	380,826
Operating Transfers In	0		72,367	72,367		72,367
Operating Transfers (Out)	0		72,367	72,367		72,367
Prior Period	0	0	0	0		0
Fund Balance/Retained Earnings - Beginning of Year	1,113,729	64,476	204,303	1,382,508	276,366	1,658,874
Fund Balance/Retained Earnings - End of Year	\$1,276,429	\$48,957	\$205,063	\$1,458,083	\$581,617	\$2,039,700

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township  
Comparative Balance Sheet  
Proprietary Fund Type-Water Fund

March 31, 2005 & 2006

<u>Assets</u>	<u>March 31, 2005</u>	<u>March 31, 2006</u>
Current Assets		
Cash	\$355,459	\$454,961
Accounts Receivable	3,954	7,724
Due From General Fund	28,000	8,300
Unbilled Receivable	25,917	34,340
Total Current Assets	<u>413,330</u>	<u>505,325</u>
Fixed Assets		
Plant, Property, & Equipment	429,395	1,919,395
Less: Accumulated Depreciation	<u>(335,787)</u>	<u>(374,788)</u>
Total Fixed Assets	<u>93,608</u>	<u>1,544,607</u>
Total Assets	<u>506,938</u>	<u>2,049,932</u>
 <u>Liabilities &amp; Fund Balance</u>		
Current Liabilities		
Accounts Payable	0	0
Accrued Salaries & Wages	224	224
Long Term Debt		
Long Term Debt		1,365,000
Compensated Absences	198	198
Total Liabilities	<u>422</u>	<u>1,365,422</u>
Fund Equity		
Contributed Capital - Federal & State	328,000	328,000
- Local	32,392	32,392
Less: Amortization	<u>(304,917)</u>	<u>(311,861)</u>
Net Contribution Capital	55,475	48,531
Retained Earnings	451,041	635,979
Total Fund Balance	<u>506,516</u>	<u>684,510</u>
Total Liabilities & Fund Balance	<u>\$506,938</u>	<u>\$2,049,932</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township  
Statement of Revenues, Expenditures & Changes in Retained Earnings  
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2006

	<u>Actual</u>
<u>Operating Revenues</u>	
Meter Sales	\$227,761
Total Revenues	<u>227,761</u>
<u>Operating Expenses</u>	
Administration	11,000
Labor, Ins and Fica	43,485
Office Supplies	425
Operating Supplies	9,157
Printing	686
Public Utilities	14,841
Repairs & Maintenance	5,346
Miscellaneous	843
Professional Services	4,236
Depreciation	9,201
JP Morgan	0
Vehicle	2,772
Capital Expenditures	0
Total Operating Expenses	<u>101,992</u>
Operating Income	125,769
<u>Non-Operating Income</u>	
Interest	21,623
Transfer from General-Hydrant Rental	0
Miscellaneous	7,769
Amortization Charges to Contributed Capital	<u>6,944</u>
Total Non Operating Income (loss)	36,336
Net Income - Current Period	162,105
Retained Earnings - Beginning of Year	<u>451,041</u>
Transfer to Debt Service Fund	72,367
Prior Period	95,200
Retained Earnings - End of Year	<u><u>\$635,979</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township  
Statement of Cash Flow  
Proprietary Fund Type-Water Fund**

For The Year Ended March 31, 2006

**Cash Flow from Operating Activities**

Operating Income	\$125,769
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	9,201
Hydrant Rental	0
Changes in Assets and Liabilities	
Decrease (increase) in Accounts Receivable	(3,770)
Increase in Accounts Payable	0
Decrease (increase) in Unbilled Receivable	<u>(8,423)</u>
Net Cash Provided by Operating Activities	122,777

**Cash Flow from Investing Activities**

Interest Income	21,623
Purchase of Fixed Assets	0
Transfer to Debt Service Fund	(72,367)
Miscellaneous	7,769
(Decrease) Increase in Due From General Fund	<u>19,700</u>
Total Increase from investing	(23,275)
Net Increase in Cash	99,502
Cash Beginning of Year	<u>355,459</u>
Cash at End of Year	<u><u>\$454,961</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township  
Balance Sheet  
Downtown Development Authority**

For the Year Ended March 31, 2006

	Actual Year Ended <u>March 31, 2006</u>	
<b><u>Assets</u></b>		
Cash	\$609,174	
Taxes Receivable	<u>0</u>	
Total Assets		<u><u>609,174</u></u>
<b><u>Liabilities and Fund Balance</u></b>		
Liabilities		
Accounts Payable	0	
Deferred Revenue	0	
Due to Other Units	<u>28,837</u>	
Total Liabilities		28,837
Fund Equity		
Fund Balances:		
Unreserved	<u>580,337</u>	
Total Fund Equity		<u><u>580,337</u></u>
Total Liabilities and Fund Balance		<u><u>\$609,174</u></u>



**Filer Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Downtown Development Authority**

For the Year Ended March 31, 2006

	Actual Year Ended March 31, 2006	
<b><u>Revenue</u></b>		
Revised Debt GF	\$0	
Interest Income	8,229	
Misc Revenue	<u>302,927</u>	
Total Revenue		311,156
<b><u>Expense</u></b>		
Utilities	0	
Christmas Lights	0	
Capital Outlay	0	
Legal	0	
Contract Svs	<u>5,912</u>	
Total Expense		<u>5,912</u>
Increase (Decrease) in Revenue		305,244
Fund Balance April 1, 2005		<u>275,093</u>
Fund Balance March 31, 2006		<u><u>\$580,337</u></u>

**Filer Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Economic Development Commission**

For the Year Ended March 31, 2006

	<u>Actual Year Ended March 31, 2006</u>
<b><u>Revenue</u></b>	
Revised Debt GF	\$0
Interest Income	7
Misc Revenue	<u>0</u>
Total Revenue	7
<b><u>Expense</u></b>	
Legal	0
Misc	<u>0</u>
Total Expense	<u>0</u>
Increase (Decrease) in Revenue	7
Fund Balance April 1, 2005	<u>1,273</u>
Fund Balance March 31, 2006	<u><u>\$1,280</u></u>

**Filer Township  
Balance Sheet  
Economic Development Commission**

For the Year Ended March 31, 2006

	Actual Year Ended March 31, 2006	
<b><u>Assets</u></b>		
Cash	\$1,280	
Taxes Receivable	<u>0</u>	
Total Assets		<u><u>1,280</u></u>
<b><u>Liabilities and Fund Balance</u></b>		
Liabilities		
Total Liabilities		0
Fund Equity		
Fund Balances:		
Unreserved	<u>1,280</u>	
Total Fund Equity		<u>1,280</u>
Total Liabilities and Fund Balance		<u><u>\$1,280</u></u>

**FILER TOWNSHIP  
FOOTNOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

**A. Reporting Entity**

Filer Township is a Charter Township located in Manistee County, Michigan. The Township is governed by an elected seven member board. Services are provided to approximately 2,000 residents and include fire protection, road maintenance, rubbish removal, water distribution and general community enrichment services. The criteria established for determining the various agencies and boards to be included in the Township's general purpose financial statements depends on the extent such agencies and boards are a part of, controlled by or dependent on the Township. The criterion used to determine the reporting entity, "is the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials". As such, the Township has incorporated the Downtown Development Authority and the Economic Development Commission as Component Units of the Township which requires a discreet presentation in accordance with GASB 14. Thus, two totals (as memo only) are included in the presentation of the statements which are the primary government and a total which includes both primary government and component units.

**B. Government-Wide and Fund Financial Statements**

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## C. Summary of Significant Accounting Policies

### Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

### Basis of Accounting

Basis of Accounting refers to how revenue and expenditures or expenses are recognized in the account and reported in the financial statements. The basis of accounting, as required under generally accepted accounting principles, varies for each fund.

General, special revenue, debt service, capital projects and trust and agency funds should be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

The accounting policies of Filer Township conform to generally accepted accounting principles and include the following fund types

#### 1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of fund.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest recorded in the General Long-Term Debt Account Group.

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where the Township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

D. Fixed Assets

All Proprietary funds are accounted for on a cost of service measurement focus. The operating statements present increases and decreases in net total assets. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Proprietary funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	25 years
Plant	Straight Line	50 years

E. Fixed Assets - Governmental Funds

All Governmental funds are accounted for on a modified accrual basis of accounting. All capital outlay is expensed in the appropriated fund. Under GASB 34. All fixed assets (net of accumulated depreciation) and long term debt are booked on the balance sheet as Net Assets and Long Term Debt. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Governmental Funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	5 to 25 years
Plant	Straight Line	30 to 50 years

F. Budgets and Budgetary Accounting

The general fund and enterprise fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis the same as the modified accrual basis used to reflect operations and include those amounts formally appropriated by the Township Board.

## 2. Excess of Expenditures over Appropriations

The local unit shall not incur expenditures in excess of appropriations. This also requires a disclosure of all such functional areas which exceeded budget. As such, a budgeted statement is included in the supplementary data portion of these financial statements.

The expenditures were all approved by the Board except for those which occurred as accounts payable at year end.

## 3. Financial Control of Funds

As authorized by Act 20, Public Act of 1943, as amended, states that the Township, by resolution may authorize its treasurer to invest surplus funds in the following manner:

1. Direct obligations of the United States or an agency or instrumentality of the United States.
2. In any account or depository which is a member of the F.D.I.C. or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation, or a credit union which is insured by the National Credit Union Administration.
3. Fifty percent of the funds may be invested in commercial paper rated at the time of purchase within the three highest classifications by not less than two standard rating agencies and which mature not more than 270 days following the date of purchase.
4. In United States Government of federal agency obligations repurchase agreements.
5. In bankers acceptances of the United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment of local units of government in Michigan.

## 4. Cash and Investments

### A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Authority by which Treasurers may invest funds and includes the following:

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

d) Repurchase agreements consisting of instruments listed in subdivision (a).

e) Bankers' acceptances of United States banks.

f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

i) The purchase of securities on a when-issued or delayed delivery basis.

ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.

iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967.

i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367.

j) The investment pools organized under the local government investment pool act, 1985 PA 121. In bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, in which the principal and interest is fully guaranteed by the United States.

B. Deposits of the Township are as authorized by the Township Board and the Board of the Component Unit. A summary of these accounts and amounts is included in the supplemental data section of this report. All funds of Filer Township have been invested in those depositories or investments as authorized by Michigan Compiled Laws Section 129.91. The balance sheet account for all funds includes all cash, investments and imprest (petty cash) funds.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate *the* amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>
Insured	\$ 392,849
Uninsured	\$ 1,578,868

The Township also has \$350,000 invested in certificates of deposit.



The Downtown Development Authority has cash and investments in a single savings account with a balance of \$109,174. It also has \$500,000 in certificates of deposit.

	<u>Carrying Value</u>
Insured	\$100,000
Uninsured	9,174

The Economic Development Commission has all of its cash in a single savings account with a balance of \$1,280 which is insured and has a bank balance of \$1,280.

#### 6. Long Term Debt

The Long Term Debt of Filer Township consists of and \$850,000 general obligation bond titled 2002 General Obligation Unlimited Tax Bond and referred to as the Fire Building Bond. The interest due is payable semiannually on April 1 and November 1 and the principal is payable on these bonds as follows:

	Principal	Interest
April 1, 2006	15,000	21,109
October 1, 2006		20,584
April 1, 2007	20,000	20,584
October 1, 2007		19,884
April 1, 2008	20,000	19,884
October 1, 2008		19,184
April 1, 2009	20,000	19,184
October 1, 2009		18,768
April 1, 2010	25,000	18,768
October 1, 2010		18,225
April 1, 2011		
October 1, 2015	155,000	132,015
April 1, 2016		
October 1, 2020	205,000	94,960
April 1, 2021		
October 1, 2022	<u>260,000</u>	<u>9,746</u>
Total	720,000	432,895

In addition, the water department has a bond which is as the 2003 General Obligation Bond issued by the Michigan Municipal Bond Authority in the amount of \$1,490,000 with a bond retirement amortization of 20 years.

The interest is based on the amounts drawn with principal payments beginning 10/01/04. Interest is payable semiannually on April 1 and October 1 with the principal payments due on October 1 of each year. Interest and principal payments remaining are as follows:

	Principal	Interest
April 1, 2006		17,071
October 1, 2006	60,000	17,071
April 1, 2007		16,321
October 1, 2007	65,000	16,321
April 1, 2008		15,508
October 1, 2008	65,000	15,508
April 1, 2009		14,696
October 1, 2009	65,000	14,696
April 1, 2010		13,883
October 1, 2010	65,000	13,883
Next five years	360,000	112,832
Next five years	410,000	64,956
Next three year	275,000	13,548

#### 5. Use Of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### 6. Pension Plan

The Township participates in a defined contribution pension plan covering all elected officials; the Fire Chief, Water Department Foreman, Pool Manager and all other full-time employees. The Township contributes 75% of the premium, based on annual compensation while plan members contribute the remaining 25%. Plan members may make additional voluntary contributions. The Township's contribution for the year ended March 31, 2006 amounted to \$9,806.

#### 7. Prior period adjustments

The government wide general fund statement and the proprietary fund have prior period adjustments for fixed assets that were placed in service.

#### 8. Compensated Absences and Post Employment Benefits

The Township pays for compensated absences which are reflected in the balance sheet. They do not have any post employment benefits.

#### 9. Reserved Fund Balance

A portion of the unreserved fund balance has been designated for specific purposes as indicated on the Balance Sheet.

#### 10. Risk Management

The Township carries commercial insurance as a protection against risk.

## SUPPLEMENTAL DATA SECTION

To the Filer Charter Township Board  
Manistee County, MI

We have audited the combined financial statements of Filer Charter Township for the year ended March 31, 2006. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

*Wilbey Ward CPA Firm*

Interlochen, MI  
June 14, 2006

## General Fund

**Filer Township  
Balance Sheet  
General Fund**

As Of March 31, 2006

**Assets**

Cash In Bank and Investments	\$1,061,713
Certificates of Deposit	40,000
Accounts Receivable	3
Taxes Receivable	8,599
Special Assessments Rec	39,361
Due From Other Agencies	28,837
Due From Other Funds	128,228
Prepaid Insurance	7,740
Construction Work In Progress	0
Total Assets	<u>1,314,481</u>

**Liabilities and Fund Balance**

**Liabilities**

Accounts Payable	968
Accrued Salaries & Wages	0
Deferred Revenue	0
Due To Other Funds	28,000
Accrued Benefits	<u>9,083</u>
Total Liabilities	38,052

**Fund Balance**

Reserved for Equipment Replacement	0
Unreserved	<u>1,276,429</u>
Total Fund Balance	<u>1,276,429</u>

Total Liabilities and Fund Balance	<u>\$1,314,481</u>
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THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs Actual**  
**General Fund**

For the Year Ended March 31, 2006

	Original Budget Year Ended March 31, 2006	Amended Budget Year Ended March 31, 2006	Actual Year Ended March 31, 2006	Variance Favorable (Unfavorable)
<b>Revenue</b>				
Current Property Taxes	\$298,000	\$298,000	\$331,789	\$33,789
Delinquent Taxes	20,000	20,000	166	(19,834)
Penalties on Taxes	2,500	2,500	815	(1,685)
Admin Fees	42,000	42,000	44,780	2,780
Licenses and Permits	4,000	4,000	6,420	2,420
State Shared Revenues	140,000	140,000	152,980	12,980
Use Fees	0	0	232	232
Charge for Services	500	500	0	(500)
Earned Interest	12,000	12,000	51,969	39,969
Rents and Royalties	2,500	2,500	3,110	610
Cable Franchise	22,000	22,000	24,200	2,200
Misc	2,000	2,000	4,764	2,764
Total Revenues	545,500	545,500	621,223	75,723
Reimbursements	0	0	914	914
Total Receipts	545,500	545,500	622,137	76,637
<b>Expenditure</b>				
<b>Legislative</b>				
Township Board:				
Salaries and Wages	40,000	40,000	46,915	(6,915)
Benefits	17,500	17,500	16,107	1,393
Pension	10,000	10,000	9,806	194
Office Supplies	1,000	1,000	333	667
Professional Services	40,000	40,000	2,941	37,059
Mileage	3,500	3,500	2,524	976
Printing and Advertising	6,000	6,000	13,463	(7,463)
Insurance and Bonds	8,000	8,000	24,253	(16,253)
Misc	4,000	4,000	3,888	112
Total Township Board	130,000	130,000	120,230	9,770
<b>General Government:</b>				
Township Supervisor:				
Salaries and Wages	14,000	14,000	13,833	167
Office Supplies	0	0	0	0
Mileage	500	500	0	500
Misc	500	500	0	500
Total Township Supervisor	15,000	15,000	13,833	1,167
<b>Elections:</b>				
Salaries and Wages	3,000	3,000	1,251	1,749
Office Supplies	500	500	75	425
Prof Services	3,000	3,000	120	2,880
Printing	500	500	0	500
Total Elections	\$7,000	\$7,000	\$1,447	\$5,553

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



**Filer Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**

For the Year Ended March 31, 2006

	Original Budget Year Ended March 31, 2006	Amended Budget Year Ended March 31, 2006	Actual Year Ended March 31, 2006	Variance Favorable (Unfavorable)
<b>Assessor:</b>				
Salaries and Wages	\$0	\$0	\$0	\$0
Supplies	800	800	137	663
Professional Services	29,000	29,000	29,132	(132)
Mileage and Travel	0	0	0	0
Publications	0	0	0	0
Insurance	0	0	0	0
Misc	0	0	0	0
<b>Total Assessor</b>	<b>29,800</b>	<b>29,800</b>	<b>29,270</b>	<b>530</b>
<b>Clerk:</b>				
Salaries and Wages	14,000	14,000	14,883	(883)
Office Supplies	500	500	0	500
Mileage	750	750	700	50
Misc	1,000	1,000	380	620
<b>Total Clerk</b>	<b>16,250</b>	<b>16,250</b>	<b>15,963</b>	<b>287</b>
<b>Board of Review:</b>				
Salaries	1,000	1,000	960	40
Misc	200	200	0	200
<b>Total Board of Review</b>	<b>1,200</b>	<b>1,200</b>	<b>960</b>	<b>240</b>
<b>Treasurer:</b>				
Salaries and Wages	14,000	14,000	14,678	(678)
Office Supplies	100	100	110	(10)
Telephone	50	50	0	50
Mileage	400	400	385	15
Printing	1,000	1,000	280	720
<b>Total Treasurer</b>	<b>15,550</b>	<b>15,550</b>	<b>15,453</b>	<b>97</b>
<b>Township Hall and Grounds:</b>				
Salaries & Wages	15,000	15,000	14,404	596
Benefits	10,000	10,000	10,973	(973)
Supplies	7,500	7,500	7,748	(248)
Prof Services	4,000	4,000	5,689	(1,689)
Telephone	4,000	4,000	4,031	(31)
Public Utilities	4,500	4,500	3,954	546
Repairs	8,000	8,000	221	7,779
Misc.	3,500	3,500	2,338	1,162
<b>Total Township Hall</b>	<b>\$56,500</b>	<b>\$56,500</b>	<b>\$49,359</b>	<b>\$7,141</b>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township  
Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund

For the Year Ended March 31, 2006

	Original Budget Year Ended March 31, 2006	Amended Budget Year Ended March 31, 2006	Actual Year Ended March 31, 2006	Variance Favorable (Unfavorable)
Other Township Bldgs and Grounds:				
Salaries & Wages	\$500	\$500	\$475	\$26
Benefits	500	500	0	500
Supplies	0	0	1,105	(1,105)
Prof Services	0	0	469	(469)
Telephone	0	0	0	0
Public Utilities	1,500	1,500	1,644	(144)
Repairs	2,500	2,500	1,135	1,365
Misc.	1,000	1,000	651	349
Total Other Bldgs and Grounds	6,000	6,000	5,478	522
 Total General Government	 147,800	 147,800	 131,764	 16,036
Planning and Zoning:				
Salaries and Wages	18,000	18,000	8,792	9,208
Supplies	500	500	83	417
Professional Services	15,000	15,000	11,259	3,741
Mileage	1,000	1,000	173	827
Printing	1,500	1,500	1,531	(31)
Misc	500	500	717	(217)
Total Planning and Zoning	36,500	36,500	22,555	13,945
Public Works:				
Street Lighting	32,000	32,000	30,083	1,917
Highway Drains	2,000	2,000	0	2,000
Road Work	37,400	45,188	10,636	34,552
Infrastructure Capital Outlay	0	0	0	0
Total Public Works	71,400	79,188	40,718	38,470
Recreation and Cultural:				
Parks Recreation and Memorial				
Salaries	6,000	6,000	4,283	1,717
Operating Supplies	1,000	1,000	238	762
Professional Services	10,000	10,000	13,798	(3,798)
Maintenance	1,200	1,200	0	1,200
Misc	3,000	3,000	1,747	1,253
Public Utilities	0	0	0	0
Total Parks and Recreation	\$21,200	\$21,200	\$20,065	\$1,135

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**

For the Year Ended March 31, 2006

	Original Budget Year Ended March 31, 2006	Amended Budget Year Ended March 31, 2006	Actual Year Ended March 31, 2006	Variance Favorable (Unfavorable)
Garbage Pick Up	\$120,000	\$120,000	\$124,104	(\$4,104)
Total Expenditures	526,900	534,688	459,436	75,252
Excess Revenues			162,700	
OTHER FINANCING SOURCES				
Operating Transfers In(Out)			0	
Excess Revenue & Other Financing Uses Over (Under) Expenditures			162,700	
Fund Balance - Beginning of Year			<u>1,113,729</u>	
Prior Period Adjustment			0	
Fund Balance - End of Year			<u><u>\$1,276,429</u></u>	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## Special Revenue Funds

**Filer Township  
Combining Balance Sheet  
Special Revenue Funds**

As Of March 31, 2006

	Fire Fund	Liquor Law Enforcement Fund	Total
<b><u>Assets</u></b>			
Cash in Bank	\$250,850	\$26,155	\$277,005
Taxes Receivable	<u>0</u>		<u>0</u>
Total Assets	<u>250,850</u>	<u>26,155</u>	<u>277,005</u>
<b><u>Liabilities and Fund Balance</u></b>			
<b>Liabilities</b>			
Accounts Payable	0	0	0
Due to General Fund	<u>1,892</u>	<u>130</u>	<u>2,022</u>
Total Liabilities	<u>1,892</u>	<u>130</u>	<u>2,022</u>
<b>Fund Balance</b>			
Reserved for Equipment Replacement	160,000		160,000
Unreserved	<u>88,957</u>	<u>26,025</u>	<u>114,983</u>
Total Fund Balance	<u>248,957</u>	<u>26,025</u>	<u>274,983</u>
Total Liabilities and Fund Balance	<u>\$250,849</u>	<u>\$26,155</u>	<u>\$277,005</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Combining Statement of Revenues, Expenditures & Changes in Fund Balance**  
**Special Revenue Funds**

For The Year Ended March 31, 2006

	Fire Fund	Liquor Law Enforcement Fund	Total
<b>Revenues</b>			
Property Taxes	\$73,837		\$73,837
Delinquent Property Taxes	34		34
State of Michigan		4,111	4,111
Interest	1,541	0	1,541
Grants	0		0
Miscellaneous	21,115	0	21,115
Total Revenue	<u>96,527</u>	<u>4,111</u>	<u>100,638</u>
<b>Expenditures</b>			
Law Enforcement		2,324	2,324
Fire Protection	112,046		112,046
Total Expenditures	<u>112,046</u>	<u>2,324</u>	<u>114,370</u>
Excess Revenue (Expenditures)	(15,519)	1,786	(13,732)
Fund Balance - Beginning of Year	<u>64,476</u>	<u>24,239</u>	<u>88,715</u>
Prior Period Adjustment	0	0	0
Fund Balance - End of Year	<u>\$48,957</u>	<u>\$26,025</u>	<u>\$74,983</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township  
Balance Sheet  
Fire Fund

As Of March 31, 2006

Assets

Cash In Bank	\$150,850
Certificates of Deposit	60,000
Taxes Receivable	0
Prepaid Insurance	0
Total Assets	<u>210,850</u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	0
Due to General Fund	1,892
Total Liabilities	<u>1,892</u>

Fund Balance

Reserved for Equipment Replacement	160,000
Unreserved	48,957
Total Fund Balance	<u>208,957</u>

Total Liabilities and Fund Balance	<u>\$210,849</u>
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THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**Fire Fund**

For The Year Ended March 31, 2006

**Revenues**

Property Taxes	\$73,837
Delinquent Property Taxes	34
Interest	1,541
Grant FEMA	0
Miscellaneous and Grant	21,115
Total Revenue	<u>96,527</u>

**Expenditures**

Salaries & Wages	29,969
Employee Benefits	1,857
Supplies	15,130
Hydrant rental	0
Telephone	2,105
Travel	52
Insurance	1,240
Public Utilities	7,353
Miscellaneous	9,888
Repairs	4,453
Capital Expenditures	40,000
Total Expenditures	<u>112,046</u>

Excess Revenues (Expenditures)	(15,519)
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Fund Balance - Beginning of Year	<u>64,476</u>
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Prior Period Adjustment	0
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Fund Balance - End of Year	<u><u>\$48,957</u></u>
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THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



Filer Township  
Balance Sheet  
Liquor Law Enforcement Fund

As Of March 31, 2005

<u>Assets</u>	
Cash In Bank	<u>\$26,155</u>
Total Assets	<u>26,155</u>
<u>Liabilities and Fund Balance</u>	
Due to General Fund	130
Accrued Salaries	0
Unreserved Fund Balance	<u>26,025</u>
Total Liabilites and Fund Balance	<u>\$26,155</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township  
Statement of Revenues, Expenditures & Changes in Fund Balance  
Liquor Law Enforcement Fund

For The Year Ended March 31, 2006

<u>Revenues</u>	
Miscellaneous	\$0
Interest	0
State of Michigan	4,111
Total Revenues	<u>4,111</u>
<u>Expenditures</u>	
Salaries & Wages	2,169
Employee Benefits	31
Office Supplies	91
Miscellaneous	33
Total Expenditures	<u>2,324</u>
Excess Revenue (Expenditures)	1,786
Fund Balance - Beginning of Year	<u>24,239</u>
Prior Period Adjustment	0
Fund Balance - End of Year	<u><u>\$26,025</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## Capital Project Funds

**Filer Township  
Combined Balance Sheet  
Fire Hall Capital Projects Fund**

As Of March 31, 2006

	Fire Hall Capital Projects Fund	Total
<b><u>Assets</u></b>		
Cash In Bank	\$0	\$0
Taxes Receivable		0
Due From State		0
Work In Process	0	0
Total Assets	<u>0</u>	<u>0</u>
<b><u>Liabilities and Fund Balance</u></b>		
Liabilities		
Accounts Payable		0
Due to Debt Service Fund	0	0
Total Liabilities	<u>0</u>	<u>0</u>
Fund Balance		
Unreserved	0	0
Total Fund Balance	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$0</u>	<u>\$0</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**Fire Hall Capital Projects Fund**

As Of March 31, 2006

	Fire Hall Capital Projects Fund	Total
<b><u>Revenues</u></b>		
Proceeds From Bonds	\$0	\$0
Interest	0	0
Miscellaneous and Grant	0	0
Total Revenue	<u>0</u>	<u>0</u>
<b><u>Expenditures</u></b>		
Bond Costs	0	0
Misc Expenses	705	705
Capital Expenditures	0	0
Total Expenditures	<u>705</u>	<u>705</u>
Excess Revenues (Expenditures)	(705)	(705)
Fund Balance - Beginning of Year	<u>705</u>	<u>705</u>
Prior Period Adjustment	0	0
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

# Proprietary Funds

**Filer Township  
Statement of Net Fixed Assets  
Proprietary Fund Type-Water Fund**

For The Years Ended March 31, 2005 and 2006

<u>Assets</u>	March 31, 2005	March 31, 2006
Machinery & Equipment	<u>\$17,259</u>	<u>\$14,807</u>
Water System	<u>269,349</u>	<u>1,713,599</u>
	<u><u>\$286,608</u></u>	<u><u>\$1,728,406</u></u>

Depreciation:

Machinery and Equipment is depreciated on straight-line basis over 25 years.

Water System is depreciated on straight-line basis over 50 years.

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township**  
**Statement of Changes in Fixed Assets**  
**Proprietary Fund Type-Water Fund**

For The Year Ended March 31, 2006

Assets				
	March 31, 2005 Balance	Additions	Deletions	March 31, 2006 Balance
Machinery and Equipment	\$30,648	\$0	\$0	\$30,648
Water System	398,747	1,490,000	0	1,888,747
Total Asset	429,395	1,490,000	0	1,919,395

Provision for Depreciation					
	Annual Rate	March 31, 2005 Balance	Depreciation	March 31, 2006 Balance	Net Book Value
Machinery & Equipment	4%	14,615	1,226	15,841	14,807
Water System	2%	137,373	37,775	175,148	1,713,599
		151,988	39,001	190,989	1,728,406
Amortization			6,944		
Depreciation			\$32,057		

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



## Debt Service Funds

**Filer Township  
Combining Balance Sheet  
Debt Service Fund**

As Of March 31, 2006

	Fire Hall Debt Service Fund	Drinking Water Debt Service Fund	Total
<b>Assets</b>			
Cash in Bank	\$ 100,820	\$ 78,218	\$ 179,038
Receivable from Bond Funds	0	0	0
Due from General Fund			0
<b>Total Assets</b>	<b>100,820</b>	<b>78,218</b>	<b>179,038</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	0
Due to General Fund	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance</b>			
Reserved for Equipment Replacement			0
Unreserved	100,820	0	100,820
<b>Total Fund Balance</b>	<b>100,820</b>	<b>78,218</b>	<b>179,038</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$100,820</b>	<b>\$78,218</b>	<b>\$179,038</b>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township  
Combining Statement of Revenues, Expenditures & Changes in Fund Balance  
Debt Service Fund

As Of March 31, 2006

	Fire Hall Debt Service Fund	Drinking Water Debt Service Fund	Total
<b>Revenues</b>			
Property Taxes	\$72,803		\$72,803
State of Michigan			0
Interest	5,521	2,408	7,929
Miscellaneous	0	0	0
Total Revenue	<u>78,324</u>	<u>2,408</u>	<u>80,732</u>
<b>Expenditures</b>			
Payment of Principal	15,000	60,000	75,000
Interest	43,968	34,452	78,420
Total Expenditures	<u>58,968</u>	<u>94,452</u>	<u>153,420</u>
Excess Revenue (Expenditures)	19,356	(92,044)	(72,688)
Transfer from Receiving		72,367	
Transfer to Checking (Debt Payment)		0	
Fund Balance - Beginning of Year	<u>81,464</u>	<u>97,895</u>	<u>179,359</u>
Prior Period Adjustment	0		0
Fund Balance - End of Year	<u>\$100,820</u>	<u>\$78,218</u>	<u>\$179,038</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS